

Congress of the United States

Washington, DC 20515

March 11, 2003

Provide Affordable Health Care for Small Businesses

Dear Colleague,

We are writing to encourage you to support **H.R. 450, the Small Business Health Insurance Affordability Act**.

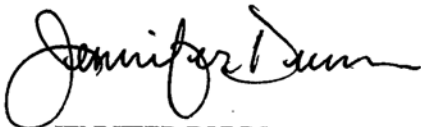
Over 41.2 million Americans are without health care coverage. Many of the uninsured are working for small businesses that cannot afford health care coverage. A recent Employee Benefit Research Institute (EBRI) Issue Brief found that employees of small businesses are one of the most vulnerable groups without health insurance. EBRI found the following:

- Only one-half of workers in firms with fewer than 10 employees have coverage, compared to 80 percent of those who work for large firms.
- Almost half of employers not offering health benefits pay annual wages of less than \$15,000 to more than half of their employees, compared with 13 percent of companies that do offer health coverage.
- 86 percent of small business employers support tax credits they could use for health insurance for their low-wage workers, and 75 percent report that they would be more likely to offer coverage with government assistance with premiums.

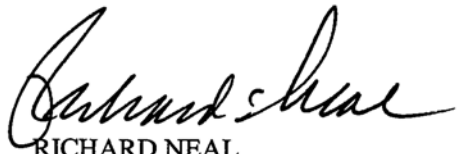
To address this problem, we have introduced bipartisan legislation to provide targeted tax credits for low-wage workers in small businesses. Specifically, H.R. 450 provides a 50 percent tax credit benefit to employers with 10 or fewer employees as an additional incentive to purchase health care coverage. As the business grows, the employers would also qualify for a smaller tax credit for their additional workers. To qualify for the tax credits, the employer must pay 75% of the premiums for their employees. In addition, the tax credit can only be used for part-time or full-time employees and their dependents making less than \$40,000 a year.

This bill will make health care insurance more affordable to small businesses struggling to find coverage for their employees. In particular, it targets scarce resources by helping firms with low-income workers that are most likely to lack health insurance. If you need additional information or would like to cosponsor H.R. 450, please contact Vergil Cabasco with Congresswoman Dunn's office at 57761.

Sincerely,



JENNIFER DUNN
Member of Congress



RICHARD NEAL
Member of Congress